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Flash report on the 2023 Meeting of the Community of Practice on Counterfactual Impact Evaluation of ESF interventions (CoP-CIE-ESF)

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Abstract

The main focus of the 2023 annual meeting was to respond to the request from the members of the Community of Practice to finalize the evaluation plans of ESF+ and to discuss how to best prepare for evaluations in areas different from active labour market policy, such as interventions in the fields of health, education, poverty and social inclusion.

The meeting was structured in four main parts:

1. Keynote speech by Martina Pezer on the use of microsimulation models for planning ESF interventions
2. Managing authorities' presentations & group discussion on evaluation plans
3. Managing authorities' presentations sharing relevant evaluation experiences
4. Managing authorities' presentations & group discussion on evaluation in the field of education, health, poverty and social inclusion.

The meeting took place in Dubrovnik on 25 May 2023, with 31 participants. It was organized by the European Commission Joint Research Centre (JRC) Centre for Research on Impact Evaluation (CRIE) together with DG Employment, Social Affairs and Inclusion (DG EMPL). Representatives from 17 ESF Managing Authorities attended: AT, BE, BG, CZ, DE, EE, ES, HR, HU, IE, LT, LV, MT, PL, PT, RO, and SE.

1 Introduction

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2 Highlights

- **Keynote speech on «Assessment of in-kind benefits with microsimulation models» by Martina Pezer, Research Associate at the Croatian Institute of Public Finance.**

The keynote introduced the use of **microsimulation models when planning ESF interventions with foreseen in-kind benefits**. These could be for example interventions targeting child poverty (e.g. free meals for pupils at schools) or food deprivation (e.g. food vouchers). Data to be used for such microsimulation includes both survey data (e.g. EU-SILC) and administrative data. These kinds of models also allow interesting pan-European comparisons, answering questions like: what would happen in Member State A if it implemented a policy already developed in Member State B?

Using this approach when planning in-kind intervention provides policy makers with essential inputs on budget expenditure and number of beneficiaries to target. There are also some limitations which depend on the quality of the data used, and the fact that only static analysis is possible (i.e., without incorporating behavioral responses by individuals).

Key messages:

- Microsimulation models can be used in the planning phase of certain types of ESF interventions.
- Good data, possibly combining survey and administrative sources, is needed.
- The model can provide outputs for various distributional, poverty and inequality analyses.

- **Presentation by participants & discussion in small groups on evaluation plans, and how to include CIE in the plans.**

Member States are at different stages in the development of their evaluation plans: some have already completed the whole process, and their plans are approved, some are at a quite advanced stage, but others are still working on it.

Three participants (representatives of Sweden, Latvia, and Bulgaria) who have (almost) completed the drafting, shared their experiences about the plans.

Key messages from the presentations:

- How to answer the different evaluations questions should be driven by the type of intervention and the type of data available
- “Cluster evaluations¹”, i.e. evaluations of interventions done also in previous programming periods, can help have feedback on the long-term effect of some interventions which are recurrent (e.g. interventions to prevent early school leaving in Sweden).
- In the evaluation plans, focus on broader evaluations
- Prepare “special attachments” to the evaluation plan, which consist in a series of short recommendations for all the stakeholders involved in the evaluation process, including a description of the basic principles of all the evaluation stages.
- Identify and adjust the role played by different actors in each of the phases of the evaluation planning process in order to increase their efficiency and effectiveness.

After the presentations, group discussions took place with the aim of identifying the **greatest challenges** faced when drafting the plan (from a CIE perspective) and coming up **with ideas on how to make sure that the CIE planned will be effectively done**.

¹ Cluster evaluation means that results from several projects are aggregated and evaluated together in order to be able to draw conclusions that are useful outside the context of the individual project. Cluster evaluations are not subject to the time constraints for programme evaluation and are therefore better placed to draw conclusions on the long-term impact of interventions

During the group discussions, several countries reported that it was hard to include CIE provisions in their evaluation plans, since these are more of a strategic document, without the level of detail that is needed to prepare for a CIE study. The evaluation plans therefore often resort to a general reference to “exploring the possibility to carry out CIE”, but leaving details for the future calls for tenders. When talking about challenges, the discussion often went beyond the evaluation plan per se, and several challenges related to the whole CIE process were mentioned.

	CHALLENGES	IDEAS TO MAKE CIE FEASIBLE
Nature of the document	Hard to include CIE provisions in their evaluation plans, since these are more of a strategic document	<ul style="list-style-type: none"> - foster a closer relationship between the line ministry and the department in charge of the evaluation
Data	<ul style="list-style-type: none"> - Data access, availability, linking of data, and GDPR represent the most common challenges. In addition data on control group (non-beneficiaries) is many times not available - Even when available and accessible, administrative data do not cover all the information needed (common for certain types of outcomes) - Extensive data collection is used for monitoring, but it is very limited for evaluation 	<ul style="list-style-type: none"> - Investment in improving IT systems to facilitate data access and linkage. - Changing the unit of observation – e.g. looking at results at school rather than pupil level when micro level data are not available or not good enough. - Set up survey data collection when administrative registries do not provide the type of information needed, but this is also a very long process. - Ask for permission of all applicants to be surveyed after the program or to collect their data when they apply for a program (even if they are not selected to be treated). Applicants who did not get into the program can be good control group.
Contractors & academia	<ul style="list-style-type: none"> - It is not easy to find contractors with the right skills to carry out CIE evaluations - The market for evaluators is often underdeveloped - Difficult to engage researchers from the academia 	<p>Contractors</p> <ul style="list-style-type: none"> - Include in the TOR criteria about skills needed, and quality checks (e.g. require contractors to have researchers in the teams in charge of the evaluation) - Offer CIE training to the contractors - Timing of the publication of the tender matters. (In one MS best period was September and October, and February and March.) - When drafting a public procurement contract consider not including quotes of reference costs as they can induce potential contractors to take them as the official ask price. Hence, they can potentially disincentivize bids of contractors wanting to ask for a higher price - To assess the quality of the contracted evaluations, use a peer reviewed process relying on the help of academics who are experts in the field. - CRIE can supervise and check the quality of the work of contractors <p>Academia</p> <ul style="list-style-type: none"> - Engage directly with researcher from academia, not waiting for them to apply to public procurement calls (see examples presented by PT and CZ)

		<ul style="list-style-type: none"> - A good incentive to engage with academics is offer them to use good quality data for their own research in exchange. This may allow them to get high-quality publication, which are very valued in the academic career. <p>Other suggestions</p> <ul style="list-style-type: none"> - Several countries are starting to build internal capacity for evaluation, and carry out at least selected study. Maybe small-scale CIE could be carried out internally.
Timing	<ul style="list-style-type: none"> - Evaluations require a long preparatory work - Results from evaluations come too late - Difficult to measure long term outcomes - Pressure between deadline for evaluation plan and for launching the specific calls - Lack of detailed information on the policies that will be implemented hinders the inclusion of CIE provisions in the evaluation plans. 	<ul style="list-style-type: none"> - Devote the right time to preparation, devising useful evaluation questions, even before going into the data - Aim smaller: conduct small scale CIE pilot projects at first, then expand - Conduct RCT, so invest in the design phase - Use the “cluster evaluation approach” (SE): do CIE of interventions done in previous programming periods to add evidence on long run effects. - Foster a closer relationship between the line ministry in charge of planning and executing interventions and the department in charge of the evaluation.
Engagement of policy makers & other stakeholders and relevance of evaluation	Difficult to convince stakeholders (policy makers, data holders, etc.) of the usefulness of CIE evaluations and to engage them.	<ul style="list-style-type: none"> - Improve how we communicate the importance of CIE and the results of past evaluations. - Convince policy makers that it is in their advantage to carry out CIE. - Identification of knowledge gaps, answering only few evaluation questions, but tailored and relevant. - Previous experience in some countries shows that buy-in among different stakeholders and data holder institutions is fundamental for successfully implementing CIE.
Special groups of people/	Some groups are difficult to follow and target, like homeless people.	<ul style="list-style-type: none"> - Complement CIE with qualitative approaches

➤ **Presentation by participants on relevant evaluation experiences**

- *Evaluation of the Wish intervention in Croatia*: good example of using the existing data in non-conventional ways so to overcome existing challenges. Example of an CIE carried out in-house using data at the local authority level (due to lack of individual data), and advanced difference-in-difference methods (one of the main CIE methodology)
- *Engaging the academia in the evaluation process in Portugal*: good examples of how to make sure that universities – which do not usually apply to public procedure tenders – are involved

in the evaluation of ESF+. For the first time, a PhD student position was made available to produce high quality evaluations and foster collaboration with the academia.

- Challenges with the REACT-EU evaluation from the perspective of data availability and possibilities for counterfactual analysis in Bulgaria: good example of using CIE when it is feasible and data allow to do so.

➤ **Presentation by participants & discussion in small groups on evaluation in the field of education, health, poverty and social inclusion.**

Several ESF+ specific objectives relate to policies in the field of education, health, poverty or social inclusion. CIE in these areas is challenging for the following reasons:

- Data access: prone to raise privacy concerns (especially health data)
- Education and especially health outcomes can be difficult to measure due to their multidimensionality
- Difficult to find suitable counterfactuals
- Even smaller set of researchers with CIE expertise in these fields and (ideally) experience in ESF evaluations
- Target population hard to reach (e.g. marginalized communities)
- Effects can take time to materialize (e.g. early childhood interventions)

The aim of this part of the meeting was to discuss **what could be done to make sure that at least one CIE in this area will take place.**

A presentation from the representative of Czechia (*Collaboration with academia in the evaluation of interventions in education in Czechia*) provided a good example to make this possible. Similarly to what is happening in Portugal, also in Czechia the MA started collaborating with some academics, by approaching them directly (since universities and researchers usually do not apply to public procurement). To make the collaboration more appealing, the Czech MA provided unique data, and promised support for a research aiming at conducting a 4-years panel study on high school students. This allowed the MA to have data that would not exist otherwise.

After this presentation, participants were again divided into smaller groups to have a discussion on ways to ensure that CIE studies will be carried out for policies other than labour market ones. In most groups, what emerged is that participants believe that such studies are hard to carry out in the near future. In many countries, there is currently no plan for CIE studies in the areas of social inclusion and poverty. The main challenges identified are data availability and GDPR; identification of suitable control groups; political sensitivity of interventions in these areas. Some more positive experiences and expectation emerged related to interventions in the field of education.

From the discussion several action points emerged:

1. Start conceptualizing the interventions from the beginning, to know in advance how possible outcomes can be defined and measured.
2. When an exact measure of the outcome is not available, one can use a proxy to measure effectiveness; for example, using sick leave data can be a proxy measure for health.
3. Work with pilots: start with small scale interventions, evaluate them, and then eventually enlarge the scope later.
4. Thinking in advance about who is going to be the control group is helpful. Examples on how this can be done include:
 - a. Staggered implementation of interventions: deploying interventions at different points in time in different areas (or schools) may yield a suitable control group for short term evaluation. Simply using the units which are not yet treated is a valid option.
 - b. Ask permission to use data on rejected applicants at the time of the application. Rejected applicants also offer a perfect control group for possible evaluations.
 - c. Changing unit of observation – moving from the individual level to the group (e.g. school) or territorial level (e.g. local territorial units as in the study presented by HR).
5. Involve third parties (like social security providers) in advance

6. Labour market interventions can also have effect on health outcomes (e.g. mental health, work-related injuries, etc). Therefore, even if not a primary objective of the intervention, health can be another outcome to look at when doing CIE in labour market policies.
7. When health data (such as health records, diagnoses, etc are not available) other labour-market related outcomes that are already available in some of the member states can be used as proxy (for instance: sick leave or disability insurance)

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